

KRASKIN, LESSE & COSSON, LLC

ATTORNEYS AT LAW
2120 L Street, N.W., Suite 520
Washington, D.C. 20037

RECEIVED

2003 APR 25 PM 3:53

TELEPHONE (202) 296-8890

T.R.A. DOCKET ROOM

TELEPHONE (202) 296-8893

April 25, 2003

Hon. Ron Jones, Director
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37238

RE: *Generic Docket Addressing Rural Universal Service*
Docket No. 00-00523 – Additional Comments on behalf of
The Tennessee Rural Independent Coalition

Dear Director Jones:

This letter is written on behalf of the Tennessee Rural Independent Coalition (the "Coalition") in response to your invitation at the conclusion of the Status Conference held on April 22, 2003, to the Parties to submit additional comments to address BellSouth's April 2, 2003 letter and the Coalition's April 3, 2003 Emergency Petition. The discussion that took place among all of the parties at the Status Conference reflects the array and scope of issues and details that are tangential to BellSouth's unilateral decision to cease payments to the rural Independents for the termination of commercial mobile radio service ("CMRS") traffic that BellSouth transports and delivers over the established access arrangement for intraLATA interexchange services.

These brief comments, however, are limited to the most immediate issues raised by BellSouth's action and the resulting Emergency Petition submitted by the Coalition. In providing these comments, the Coalition acknowledges and follows your direction not to repeat that which has already been stated. Accordingly, the Coalition further limits these comments to responses to factual and legal issues raised in the course of BellSouth's presentation at the Status Conference. In addition, and as described below, the Coalition respectfully transmits attached to these Comments certain information requested during the Status Conference.

I. The Immediate Issue is Straight-forward: BellSouth Should Honor Existing Arrangements and the Order of the TRA.

The immediate issue presented arises as a result of BellSouth's decision to cease certain payments to the rural Independents and the Coalition's emergency request that the TRA direct BellSouth to continue these payments until the existing arrangements are replaced. As indicated on page 7 of BellSouth's Response to the Emergency Petition, the parties have been working toward

resolution of this issue. The Coalition understood that a solution developed in the course of negotiations was under consideration by BellSouth. In this regard, several facts are notable:

1. Irrespective of the length of the negotiations up to this point, no party has accused the other of bad faith negotiations. Both parties have reported to the Hearing Office and previously asked for more time to continue negotiations of all issues. Either of the parties could have at any time asked the Hearing Officer to address any issue in lieu of continued discussions.
2. The rural Independents do not assert that full access charges must apply to the termination of CMRS traffic. The Independents have been and remain ready, willing and able to negotiate alternative terms and conditions applicable to the termination of CMRS traffic in those instances where a CMRS provider elects to terminate traffic to the rural Independent via a transit arrangement the CMRS provider has with BellSouth or any other carrier. The rural Independents understood that BellSouth was considering a proposal raised in the course of negotiations. The rural Independents are fully willing to meet with any and all parties to address this matter on a timely basis.
3. The Coalition has addressed all other issues raised by BellSouth regarding the existing interconnection arrangements in the course of good-faith negotiations, and is fully willing to continue the negotiation process with the objective of timely and mutually agreeable completion.
4. Contrary to BellSouth's colorful but flawed argument, the Coalition is not attempting to "shoehorn the CMRS traffic" into the existing arrangements with BellSouth. The existing contractual arrangements are the only terms and conditions that exist between BellSouth and the rural Independents with respect to BellSouth's transport and termination of traffic to the rural Independent networks. These arrangements are the subject of the Initial Order of the Hearing Officer issued on December 29, 2000, and the Order Denying BellSouth's Petition for Appeal and Affirming the Initial Order of the Hearing Officer issued by the TRA on May 9, 2001. Contrary to BellSouth's legal and factual assertion at the Status Conference, the existing arrangement is currently applicable to that traffic with respect to which BellSouth has arbitrarily determined it will no longer pay the rural Independents
5. It is disingenuous for BellSouth to assert or even suggest that the existing arrangements are inapplicable to the current treatment of the CMRS traffic that BellSouth transports to the rural Independent networks, including those terms regarding compensation to the rural Independents. BellSouth has acknowledged this fact; BellSouth has operated under this fact. BellSouth's payment to the rural Independents pursuant to the existing arrangements was not a "gift" or a matter of gratuitous "assistance" as BellSouth has suggested.
6. As reflected by the attached correspondence from BellSouth attorney Leah Cooper dated February 19, 2001 (transmitted nearly seven weeks after the December 29, 2000 Initial Order of the Hearing Officer), BellSouth clearly understood its obligation to pay the rural Independents for the termination of this traffic subject to the existing arrangements. (See Attachment 1).
7. The above-referenced BellSouth correspondence also reflects another dispute between BellSouth and several of the rural Independents with respect to whether BellSouth has properly compensated the rural Independents pursuant to the existing arrangements. Although this dispute remains unresolved and separate from the immediate matter at issue, it is significant to note in this correspondence that BellSouth attempts to resolve this dispute, offering as one alternative "to enter

negotiations on new arrangements for handling of this traffic on a going forward basis.” BellSouth clearly acknowledges that the existing arrangements are applicable to the CMRS traffic. Equally significant is the fact that BellSouth offers, *but does not insist upon*, the negotiation of new arrangements.

8. BellSouth has always had the opportunity available to make a request and to negotiate new terms and conditions with respect to the termination of this traffic. In the event that negotiations were unsuccessful, BellSouth has always had the opportunity to avail itself of formal process consistent with applicable law before the TRA to resolve any dispute. Instead, however, BellSouth has alternatively elected to cease honoring the existing arrangements.

The Coalition respectfully submits that BellSouth is factually and legally incorrect when it attempts to claim: 1) that the existing arrangements are inapplicable to BellSouth’s transmission of CMRS traffic over the intraLATA interexchange network for termination to the rural Independents; and 2) that the December 29, 2000 Initial Order of the Hearing Officer, affirmed and upheld on appeal by the TRA, is somehow inapplicable to the existing dispute. Accordingly, the Coalition respectfully requests the grant of the relief sought in the April 3, 2003, emergency Petition seeking TRA direction to BellSouth to continue termination payments to the rural Independents consistent with the terms of the existing arrangements until such time as these arrangements are superseded by new arrangements approved by the TRA.

II. BellSouth Cannot Simply Pronounce That It Has Changed the Existing Arrangement to Meet Point Billing (“MPB”). The Very Nature of Meet Point Billing Requires Agreement Among All Participants.

“BellSouth will no longer act as the “banker” for the ICOs with regard to the traffic originated by subscribers of CMRS providers with whom BellSouth has a MPB agreement.” (BellSouth Response to the Coalition’s Emergency Petition, page 16.)

To listen to BellSouth without critical challenge, and to accept BellSouth’s assertions at face value, one would conclude that the rural Independents have their heads in the sand and are resisting change. After all, BellSouth sent the Independents unilateral pronouncements that they were going to move CMRS carriers to MPB. And, BellSouth suggests, the Independents could contact the wireless carriers and request terminating terms and conditions after BellSouth has already established its “meet point billing” arrangements with those carriers, and provided interconnection to the rural Independents.

A challenging and critical review of the facts, however, demonstrates that BellSouth’s suggestions that the rural Independents are somehow resisting industry “standards” applicable to interconnection arrangements are without merit:

1. The existing interconnection arrangement of the CMRS traffic through BellSouth to the rural

Independents is not a "transit" arrangement, as BellSouth suggests. (See, BellSouth Response to Emergency petition, pages 14-16.) BellSouth utilizes the intraLATA toll network and interconnects with the rural Independents pursuant to the terms and conditions of the existing contractual arrangements.

2. Under the existing arrangements, BellSouth is not and could not be the "banker" for transactions between the CMRS provider and the rural Independent. BellSouth has entered into an arrangement to provide the CMRS carrier with interconnection to the rural Independent network. The rural Independent has no contractual relationship with the CMRS carrier. In fact, the arrangement BellSouth made with the CMRS carriers precluded any opportunity for the rural Independents to negotiate interconnection terms and conditions with the CMRS carrier. BellSouth made an agreement with the CMRS carrier and flowed traffic to the Independent without notice or opportunity for the Independent to negotiate with the CMRS provider. BellSouth had been paying the rural Independents for the services they provide pursuant to the exiting arrangements, and not as a "banker" between the CMRS carriers and the rural Independents.
3. Because this interconnection took place under the existing arrangements (as acknowledged by BellSouth and fully discussed in Section 1, above), there was no need for the rural Independents to negotiate with the CMRS carriers that connected through BellSouth. BellSouth entered an agreement with the CMRS carrier which compensated BellSouth, and BellSouth compensated the rural Independent.
4. For reasons unknown to the rural Independents, BellSouth apparently has elected to move to a MPB arrangement with certain CMRS carriers. On information and belief, the Coalition understands that past BellSouth agreements with CMRS carriers provided that the CMRS carrier would reimburse BellSouth for the rural Independent termination charges assessed to BellSouth with respect to this traffic. The new "MPB" arrangements BellSouth has executed with the CMRS carriers apparently do not provide for this reimbursement.
5. As a result, BellSouth apparently created a problem for itself; it can no longer pass on the rural Independent termination charges that it pays in accordance with the existing agreements between BellSouth and the Independents. BellSouth clearly seeks to be alleviated from payment of these charges and the predicament it created. Instead, however, of forthrightly requesting expedited negotiations (or involvement by the TRA), BellSouth elected unilaterally to cease payments to the Independents and to suggest that the Independents should seek out the wireless carriers and enter into agreements in accordance with MPB "industry standards."
6. BellSouth is incorrect. Acceptance of BellSouth's argument is not only inequitable toward the rural Independents, but also contrary to industry standards, basic principles of contract law, and common sense: two parties cannot negotiate to enter into a meet point billing arrangement that involves a third party. The meet point billing agreement must involve all parties. While it is a matter of basic contract law and common sense that two parties cannot execute an agreement that binds a third party, the industry standards that address Meet Point Billing Arrangements - *the very same guidelines upon which BellSouth relies* (referenced in BellSouth correspondence of February 5, 2002, attached to its Response to the Emergency Petition) - adopt this basic and necessary approach:

Where intrastate tariffs and contracts permit, implementing a meet-point Billing arrangement between providers, which operate in the same territory, is based upon Provider-to-Provider negotiations where the regulatory environment permits. When all involved providers agree to a meet-point Billing arrangement, these guidelines are used. ("Multiple Exchange Carrier Access Billing," guidelines published by the Alliance for Telecommunications Ordering and Billing Forum, February 2001, Section 2.1 Scope, emphasis added.)

As directed at the Status Conference, the Coalition submits as Attachment 3 relevant excerpts from the industry guidelines including the quote recited above. Without regard for this fundamental principle set forth in the industry meet-point billing guidelines, BellSouth repeats and repeats its mantra that it has "moved to MPB." The inaccuracy of BellSouth's statements that it has moved to "meet point billing" in accordance with "industry standards" cannot be corrected by BellSouth's repetition.

7. BellSouth is accurate in one instance of its portrayal of the facts. BellSouth did send notifications of its unilateral intent to change the existing terms and conditions of its interconnection arrangement into a so-called "meet point billing" arrangement. BellSouth's reliance on this notification, however, is totally misplaced. When the rural Independents received the BellSouth unilateral pronouncements, they responded and notified BellSouth that it could not single-handedly change existing arrangements, terms and conditions. (See, e.g., Attachment 2, Correspondence of February 4, 2003, on behalf of the rural Independents to BellSouth attorney Parkey D. Jordan).

8. Subsequently, the Coalition met with BellSouth to continue the negotiation of all existing issues. It was during the course of these meetings that the parties developed a proposed potential resolution (as referenced on page 7 of BellSouth's Response to the Emergency Petition). As a result of the development of this proposal and the understanding that it was under serious consideration by BellSouth, the Coalition was, in fact, surprised by BellSouth's decision to proceed with unilateral cessation of payments.

Accordingly, the Coalition respectfully submits that, contrary to BellSouth's portrayal of the facts, carriers can not implement Meet Point Billing in the absence of agreement among all providers. The industry standards demonstrate that it is non-sensible for a carrier to assert that it has moved to meet point billing in the absence of negotiation and agreement among all the parties involved in the connecting arrangement. A claimed "requirement" by BellSouth to move to meet point billing provides no basis for BellSouth to cease payments to the rural Independents in accordance with contract arrangements that are in effect and subject to a standing Order of the TRA. The Coalition respectfully requests that the TRA direct BellSouth to finalize the good-faith negotiations in which the parties have participated, and to render termination payments to the rural Independents consistent with the existing arrangements and the standing Order of the TRA.

III. The Coalition Reasserts its Willingness to Finalize Good-Faith Negotiations with BellSouth and to Participate in Alternative Dispute Resolution Processes Under the Auspices of the TRA.

The Coalition respectfully seeks to ensure that it has clearly conveyed its absolute willingness to participate in good-faith negotiations with BellSouth and with CMRS carriers. The Coalition requests, within the context of this Docket, that any resulting agreements and arrangements approved by the TRA should ensure that no rural Independent is restricted in its right to deploy its network in the manner it chooses in accordance with existing and established rights and that any resolution additionally incorporate the following principles:

1. The utilization of a process that is measurable, auditable and enforceable;¹
2. To provide compensation for the termination services provided by each rural Independent;
3. At a level that properly reflects the cost recovery of the value of the rural Independent network in a manner consistent with universal service principles and the interests of all Tennessee ratepayers including the rural subscribers of the Independents.

The members of the Coalition have been, and remain willing to:

A. Expediently negotiate revised terms and conditions with BellSouth regarding the termination of CMRS traffic through the BellSouth intraLATA interexchange network;² and

B. Expediently negotiate a general set of terms and conditions with CMRS carriers that may be utilized at the election of the CMRS carrier when it chooses to terminate traffic to the rural Independent indirectly through a transit arrangement established by the CMRS provider with BellSouth.

In addition, each rural Independent stands ready and willing to negotiate interconnection arrangements individually with any CMRS carrier in accordance with Section 251 and 252 of the Telecommunications Act.

¹ As noted at the Status Conference, the Coalition is concerned that the existing technical aspects of the intraLATA toll connecting arrangements with BellSouth may not provide a measurable, auditable and enforceable process if BellSouth is not responsible for the traffic it carries through the network. The traffic is terminated by BellSouth over a common trunk group which precludes the opportunity for the rural Independent to identify and measure the traffic or disconnect the traffic in the event of non-payment or material default. To the extent that BellSouth suggests that the Independents may rely on billing record data supplied by BellSouth, the Coalition is concerned that this data may not be reliable on the basis of an initial review of data provided by BellSouth.

² In this regard, the Coalition looks forward to BellSouth's response to the proposal developed by the parties in good faith negotiation and under consideration by BellSouth, as referenced at page 7 of BellSouth's Response to the Emergency Petition.

Any or all of these alternatives to establish new interconnection terms, conditions and arrangements may be utilized to foster a rational movement from the existing arrangements. The Coalition respectfully submits that any movement from the existing arrangements, however, should be undertaken in an orderly process. If BellSouth had sought to move from the existing arrangements to genuine "meet point billing," this could have been achieved through such an orderly process that, consistent with industry guidelines, involved all parties in negotiations leading to mutual agreement.

BellSouth, however, should not be permitted to achieve its objectives through the invocation of a unilateral change in existing arrangements that ignores the opportunity for implementation of new terms and conditions in accordance with a rational orderly process approved by the TRA. Accordingly, the Coalition respectfully requests grant of the relief sought in the Emergency Petition to ensure that the rural Independents are provided with compensation for the termination of traffic transported to their networks by BellSouth over the existing intraLATA toll network, consistent with the existing and effective arrangements and the standing Order of the TRA.

Sincerely,

Stephen G. Kraskin
by [signature]

Stephen G. Kraskin
on behalf of the
Tennessee Rural Independent Coalition

Attachments

cc: All parties of record

CERTIFICATE OF SERVICE

I hereby certify that on April 25, 2003, a copy of the foregoing document was served on the parties of record, via the method indicated:

☐ Hand
☒ Mail
☐ Facsimile
☐ Overnight

Russ Minton, Esquire
Citizens Communications
3 High Ridge Park
Stamford, Connecticut 06905

☐ Hand
☒ Mail
☐ Facsimile
☐ Overnight

Charles B. Welch, Esquire
Farris, Mathews, et al.
205 Capitol Blvd., #303
Nashville, Tennessee 37219

☐ Hand
☒ Mail
☐ Facsimile
☐ Overnight

Mr. David Espinoza
Millington Telephone Company
4880 Navy Road
Millington, Tennessee 38053

☐ Hand
☒ Mail
☐ Facsimile
☐ Overnight

Jon E. Hastings, Esquire
Boult, Cummings, et al.
P.O. Box 198062
Nashville, Tennessee 37219-8062

☐ Hand
☒ Mail
☐ Facsimile
☐ Overnight

Henry Walker, Esquire
Boult, Cummings, et al.
P.O. Box 198062
Nashville, Tennessee 37219-8062

☐ Hand
☒ Mail
☐ Facsimile
☐ Overnight

James Wright, Esquire
United Telephone - Southeast
14111 Capitol Blvd.
Wake Forest, North Carolina 27587

☐ Hand
☒ Mail
☐ Facsimile
☐ Overnight

Dan Elrod, Esquire
Miller & Martin
150 4th Avenue, #1200
Nashville, Tennessee 37219

☐ Hand
☒ Mail
☐ Facsimile
☐ Overnight

James Lamoureux, Esquire
AT&T
1200 Peachtree St., NE
Atlanta, Georgia 30309

☐ Hand
☒ Mail
☐ Facsimile
☐ Overnight

Donald L. Scholes, Esquire
Branstetter, Kilgore, et al.
227 Second Ave., N
Nashville, Tennessee 37219

☐ Hand
☒ Mail
☐ Facsimile
☐ Overnight

Timothy Phillips, Esquire
Office of Tennessee Attorney General
P.O. Box 20207
Nashville, Tennessee 37202

☐ Hand
☒ Mail
☐ Facsimile
☐ Overnight

Guy M. Hicks, Esquire
Joelle Phillips, Esquire
BellSouth Telecommunications, Inc.
333 Commerce St., Suite 2101
Nashville, Tennessee 37201-3300

☐ Hand
☒ Mail
☐ Facsimile
☐ Overnight

R. Douglas Lackey, Esquire
J. Phillip Carver
BellSouth Telecommunications, Inc.
675 W. Peachtree St., NE
Suite 4300
Atlanta, Georgia 30375

Neal & Hannell, PLLC
By: [Signature] Meneer

Attachment 1

Leah G. Cooper
Attorney

BellSouth Telecommunications, Inc.
Legal Department - Suite 4300
675 West Peachtree Street
Atlanta, Georgia 30375-0001
Telephone: 404-335-0764
Fax: 404-614-4054

February 19, 2001

Stephen G. Kraskin, Esq.
Kraskin, Lesse and Cosson, LLP
2120 L. Street, N.W., Suite 520
Washington, D.C. 20037

Dear Steve:

I am responding on behalf of BellSouth to your letter of February 7, 2001 regarding the issue of compensation adjustments for wireless traffic between BellSouth's network and the Independent companies which was raised at the meeting held on January 29, 2001.

At that meeting, BellSouth explained the processing problem that resulted in the need for the adjustments of prior period settlements with the Independents. As a result of the adjustments that were reflected on December 2000 settlement statements, 17 companies received a credit adjustment of \$4.3M and ten companies received a debit adjustment of \$3.0M with a net outflow from BellSouth of \$1.3M to independents in the aggregate.

Because wireless traffic did not exist at the time the toll and EAS agreements with Tennessee Independents were executed (mid-1980s), it was not contemplated in those negotiations. However, as a matter of equity, payments were instituted for mobile-originated calls to independents that were "long distance" from the BellSouth network and we felt these calls were substitutes for toll calls that would otherwise have been received by the Independents. Moreover, the wireless carriers paid a fee to BellSouth in contemplation of access charge payments that were due Independents. Our adjustment, in effect, passed these fees along to the Independents.

On the other hand, mobile-originated calls to Independents that were within the local calling area were substitutes for EAS calls which are handled on a "bill and keep" basis in Tennessee. We have pointed out also that no fees were paid to BellSouth by wireless carriers for use of the Independents' network on these type calls. Further, it should be noted that no payments have been received from Independents for calls that their customers originate to wireless systems connected to BellSouth's network.

Stephen G. Kraskin, Esq.
February 19, 2001
Page 2 of 2

In the meeting BellSouth offered three things:

1. We offered to work with each company to validate the accuracy of the adjustments that had been posted and also to reach an agreement on a payment plan for the adjustments that would spread out the cash flow.
2. We offered to completely reverse all the adjustments previously made, both credits and debits but could not agree to reverse one without the other.
3. We offered to enter negotiations on new arrangements for handling of this traffic on a going forward basis.

Contrary to your suggestion, we specifically declined your proposal that the debit adjustments be reversed without also reversing the credit adjustments. It should be remembered that it was at the insistence of the Independents last year that we make the wireless related adjustments promptly and it was made clear that there would be some negative debit adjustments as well as positive credit adjustments..

Your letter also requested a meeting with the "representatives who will take responsibility for the legal and regulatory position that BellSouth has taken." We will be glad to meet with you again but want to assure you that the January meeting was a response to the request of the Independents for an explanation of the wireless adjustments and the appropriate BellSouth representatives were present at that meeting.

Please call me for coordination of any subsequent meeting that you might desire.

Sincerely,


Leah Cooper

Cc: Guy M. Hicks, Esq.
Leo B. Shoemaker

Attachment 2

KRASKIN, LESSE & COSSON, LLC

ATTORNEYS AT LAW
2120 I. Street, N.W., Suite 520
Washington, D.C. 20037

TELEPHONE (202) 296-8890

TELECOPIER (202) 296-8893

February 4, 2003

Via E-Mail and U.S. Mail

Parkey D. Jordan, Esq.
BellSouth
675 West Peachtree Street, NE
Atlanta, Ga. 30375

Re: January 16 Memo to Independents from Peggy Burdette

Dear Parkey:

This letter is written on behalf of the group of Tennessee Independent Telephone Companies ("Independents") that have worked together in discussions with BellSouth regarding existing agreements including matters related to BellSouth's termination of third party traffic.

The Independents are in receipt of a memo from Peggy Burdette of BellSouth dated January 16, 2003. As BellSouth is aware, and consistent with the ongoing discussions related to these matters, BellSouth can not unilaterally alter any existing arrangement with any of the Independents. BellSouth has not been authorized by any Independent to negotiate with any party on behalf of the Independent, including but not limited to negotiations regarding so-called "meet point" billing arrangements with wireless carriers (or any other carrier).

As in the past, BellSouth's practice of unilaterally transmitting memos purporting to alter any existing arrangements has no effect on the existing arrangements.

Sincerely,

s/ Stephen G. Kraskin

Stephen G. Kraskin

ATIS/OBF-MECAB-007

MULTIPLE EXCHANGE CARRIER ACCESS BILLING (MECAB)

Issue 7, February 2001

Sponsored by

Alliance for
Telecommunications

Problem Solvers to the Telecommunications

ATIS/OBF-MECAB-007

Issue 7, February 2001

1. PREFACE

Effective January 1, 2001 the process outlined in MECAB Issue 7, which allows companies to utilize their own recordings for access and interconnection billing, may be implemented.

The use of EMI Category 11-50-01 through 04 and 11-50-21 through 24 meetpoint summary usage records, for billing of access and interconnection services, will be discontinued effective August 31, 2002.

This document contains the recommended guidelines for the billing of access and interconnection services provided to a customer by two or more providers or by one provider in two or more states within a single LATA. Access and interconnection services may be billed as usage-sensitive and flat rated charges, which may include intraLATA non-subscribed toll, wireless and local services. Examples of Usage-Sensitive Services are Feature Group B (FGB), Feature Group C (FGC), Feature Group D (FGD), Wireless Services (Type 1 (Line Side Service), Type 2A (Trunk Side Tandem Service) and Type 2B (Trunk Side End Office Service)), trunk side connections (e.g., BSA), and Directory Assistance (DA) Transport. Examples of Flat-Rated Services are WATS Access Lines (WALs), Dedicated Access Lines (DALs), Hicap, two-point, multi-point services, direct/local transport and DA transport. This document also addresses the billing of jointly provided Feature Group A (FGA) line side BSA services in Section 9 of this document.

Types of customers and providers are as follows but are not limited to those below.

- End User: A customer who occupies premises that utilizes retail telephone services provided by telecommunications carriers. They may order other services such as access.
- IXC: Interexchange Carrier (Also referred to as IC). A long distance company that carries traffic between local exchange carriers.
- LEC: Local Exchange Carrier. A Company providing local telephone service. This term could include the following entities:
 1. CLEC: Competitive Local Exchange Carrier. A Company, which competes by providing it's own switching and/or network, or by purchasing unbundled network elements from an established local telephone provider. This term is meant to distinguish a new or potential competitor from the established local exchange provider.
 2. ILEC: Incumbent Local Exchange Carrier. A Company providing the connection to the end user's premise and access to the long distance network prior to the introduction of local competition. It is the established Regional Bell Operating Company or Independent Company.
 3. ULEC: Unbundled Local Exchange Carrier. A Company that provides local, intraLATA toll and access service by purchasing one or more unbundled network elements from another company. This includes only buying dial tone (port) or the entire platform of elements (UNE-P).
 4. USP: Unbundled Service Provider. A Company (CLEC or ILEC) that has sold one or more network elements to another company in order for them to provide local, intraLATA toll and access services.
 5. WSP: Wireless Service Provider (which includes CMRS (Commercial Mobile Radio Service), PCS (Personal Communication Services), etc.). A company whose network provides service to an end user through the use of airwave signals.

ATIS/OBF-MECAB-007

Issue 7, February 2001

2. GENERAL

2.1 Scope

These guidelines are for billing access and interconnection services provided by two or more providers or by one provider in two or more states within a single LATA. It is to the mutual benefit of both customers (customers and end users) and providers that bills be accurate and auditable. This document addresses the concept of MPB and revenue sharing as detailed in the December 8, 1988 Report. As stated previously, access and interconnection services include Usage Sensitive and Flat Rates Services. Where intrastate tariffs and contracts permit, these guidelines are used for access and interconnection services. The determination of implementing a meet-point Billing arrangement between providers, which operate in the same territory, is based upon Provider-to-Provider negotiations where the regulatory environment permits. When all involved providers agree to a meet-point Billing arrangement, these guidelines are used.

2.2 MECAB Revision

2.2.1 Reason for Revision

OBF Issue 472 (the MECAB Change Management Document) recommends that the MECAB be updated to incorporate all resolved OBF issues affecting the MECAB document. This is the **sixth revision** to the MECAB based on OBF Issue 472. This revision contains updates to industry guidelines to reflect the resolution of the following OBF Issues:¹

- Issue 1548 - Billing Verification Process in an Unbundled Environment
- Issue 1667 - Exchange of Billing Information
- Issue 1690 - Notification of Interconnecting Billing Information to the ULEC.
- Issue 2056 - For Facility-Based LECs/CLECs & CMRS, Enhance the Meetpoint/Meetpoint-like Record Exchange to be Consistent with Unbundled Processes
- Issue 2138 - Redefine and Evaluate the Need for Existing MECAB Data Elements
- Issue 2162 - Eliminate Pass Through meet-point Billing Options in MECAB

The following issues were reviewed but no changes were made to the document.

- Issue 1284 - Long Term LNP Billing and Verification
- Issue 1287 - Billing For Unbundled Network Elements
- Issue 1528 - The Billing Impact Resulting From Access Reform
- Issue 1593 - Guidelines Do Not Exist For Providing Historical PICC Detail Data to Verify PICC Charges

2.2.2 Change Management

MECAB standards represent policy guidelines approved by the OBF; the Billing Committee of the OBF is responsible for the MECAB document. MECAB is changed through the incorporation of resolved OBF issues. Proposed changes to MECAB are reviewed and approved by the OBF Billing Committee and the OBF General Session. In accordance with the MO&O in CC Docket No. 86-104, released July 31, 1987, the FCC will have the opportunity to review any revisions to the standards (MECAB) to the extent that further tariff revisions are necessary.

¹ A record of resolved OBF Issues incorporated in MECAB revisions is contained in Section 11 - OBF Issues Included in MECAB Revisions.

ATIS/OBF-MECAB-007

Issue 7, February 2001

3. NECA TARIFF FCC. NO. 4, PERCENT OWNERSHIP, BILLING PERCENTAGE AND COMPANY CODE

3.1 General

The industry reference for listing end point locations, billing percentages, and the providers involved in a MPB environment is NECA Tariff FCC. No. 4. The information contained in this tariff specifies the apportionment of local transport or channel mileage rate element(s) among the providers and/or jurisdictions involved in an access and interconnection services based on billing percentages. Each pair of end point locations, the related Billing Percentages, and the providers involved must be filed in NECA Tariff FCC. No. 4 for access services. When billing percentages are required for interconnection services, the decision to file billing percentages in NECA Tariff FCC. No. 4 is based upon Provider-to-Provider negotiations.

3.2 Billing Percentage (BP)

BPs are listed by service type for each pair of locations where access and interconnection services are provided on a meet-point basis. The sum of the BPs filed for each pair of end point locations must equal 100%. For each pair of locations, the involved providers must agree in writing to their respective BPs. This information must be submitted to NECA for inclusion in NECA Tariff FCC. No. 4, per NECA filing requirements.

3.3 Percent Ownership

Each set of BPs may be developed on any *mutually agreeable* basis among the providers in the route. BPs may be developed using:

1. Provider investment to total investment
2. Route miles to total route miles
3. Airline miles to meet-point to total airline miles between locations

The basis of this apportionment should consider each provider's rate structure for channel mileage or local transport and the method of BP application either approved by the FCC or locally negotiated contracts.

3.4 Transport or Mileage Charge Calculations

The appropriate method for calculation of MPB of the distance sensitive portion of Local Transport (direct-trunk and tandem-switched), Channel Mileage (e.g. Special Transport), is as follows:

1. The Vertical and Horizontal (V&H) coordinates (filed in NECA Tariff FCC. No. 4) are used to calculate the airline distance between two wire centers. Fractional mileage is rounded to the next whole number.
 2. Each provider applies the tariff rate for this overall mileage length to obtain a dollar amount.
 3. The BP is applied to the dollar amount calculated above.
- See Figures 3-1 through 3-9 for examples of Usage-Sensitive Access (tandem-switched) and Flat-Rated Access (Switched and Special) mileage charge calculations.

ATIS/OBF-MECAB-007

Issue 7, February 2001

4. MEET POINT BILLING OPTIONS

4.1 General

The meet-point Billing Task Force Report, (hereinafter, 86-104 Report) adopted in CC Docket No. 86-104, released July 31, 1987, specifies that either the single or multiple billing option would satisfy the requirements for MPB. Where providers are unable to reach agreement as to the method of billing, the multiple MPB option, as described in this document, is employed. The Common Carrier Bureau in CC Docket No. 87-579, Phase II, released October 4, 1988, established certain characteristics that must be present for the multiple bill option to be an appropriate selection. Upon determining the billing method, each provider notifies the customer of the method employed to render access bills in accordance with the notification instructions in Section 5. See the section entitled "Jointly Provided Service in an Unbundled Environment" for ULEC billing options.

4.2 Meet-point Billing Selection

One of the crucial activities associated with MPB is the responsibility of the providers to select a meet-point Billing option. The MPB options available are:

1. Single Bill
2. Multiple Bill

Under the Single Bill Option there are two alternatives. They are:

1. Multiple Tariff (SM)
2. Single Tariff (SS)

The payment alternatives associated with Single Bill/Multiple Tariff are Single Check and Multiple Checks.

Under the Multiple Bill Option there are two possible alternative implementation methods. They are:

1. Multiple Bill reflecting a single tariff (MM)
2. Multiple Bill reflecting multiple tariffs (MT)

A provider may elect to use either or both MPB options when connecting with different providers. Providers may also elect to use either or both MPB options when connecting with the same provider for different types of service (e.g., Hicap, FGD). Providers may also elect to use either or both MPB options for different meet-point service arrangements (e.g., EO to POP/SWC, customer premises to customer premises). The MPB option selection is negotiated exclusively between providers.

ATIS/OBF-MECAB-007Issue 7, February 2001

The MPB method selection between providers has some fundamental restrictions. In order for providers to implement the Single Bill options, all providers involved in providing the access or interconnection service for a particular meet-point service arrangement must agree on one of the two Single Bill alternatives. If providers were unable to reach agreement as to the billing option for a particular meet-point arrangement, each provider would be required to select the Multiple Bill option.

Because of the complexities involved in providing and billing multiplexed and multi-point Flat-Rated access services by more than one provider, the combination of MPB options on an individual service is allowed. For example, a segment of a multi-point service may be billed using one of the Single Bill alternatives, and another segment of the same multi-point service may be billed using one of the Multiple Bill implementation methods.

4.3 Descriptions of meet-point Billing Options.

4.3.1 Single Bill Option

The Single Bill option allows the customer to receive one bill from one provider or its billing agent for access or interconnection services. To assist the reader in understanding the Single Bill option, the working definition of the Single Bill is as follows:

A Single Bill consists of all rate elements applicable to access or interconnection services billed on one statement of charges under one billing account number (BAN).

Although the Single Bill option suggests one means of bill rendering, the following billing alternatives are:

1. Single Bill: Multiple Tariff
2. Single Bill: Single Tariff

To implement any Single Bill alternative, all providers involved must agree to a particular alternative. The billing company's bill includes the applicable data elements listed in the CABS BOS or SECAB. The CABS BOS or SECAB format is recommended. For the customer to provide payment to an agent, the customer must be provided with a letter of authorization (LOA). The detailed requirements for rendering the Single Bill option are given in Sections 5 through 8 of this document.

Provider-to-Provider contractual agreements for the billing of Usage-Sensitive Access, Flat-Rated Access and/or interconnection services are required. These agreements can cover proprietary information/non-disclosure, liabilities for data accuracy and timeliness, inquiries, flow of tariff items, compensation for billing services, types of access or interconnection services included, payment options (e.g., purchase of accounts receivable by billing company vs. individual payments by customer to each provider), and flow of data.

ATIS/OBF-MECAB-007
Issue 7, February 2001

- billing company name
- billing company address
- billing company telephone number
- ACTL location
- industry assigned Carrier Identification Code(s) (CICs) .

The tandem company owner will provide the following information about local/intraLATA interconnectors to the new provider:

- contact name
- contact address
- contact telephone number or fax
- type of company
- NECA assigned Operating Company Number (OCN) and/or industry assigned Carrier Identification Code(s) (CICs).

Each time a new interconnecting company establishes a presence at a tandem, the tandem company will provide this information to the new interconnecting company and the existing directly interconnected companies on a one time basis. Companies directly interconnected to the tandem have the responsibility to pass notification information to companies directly interconnected behind them.

e. In order to establish a billing relationship, providers that do not have a direct interconnection with each other, may need to exchange the following information:

- billing company name
- billing company address
- billing company telephone number
- Point of Interface (POI)
- billing percentages, if applicable

- f. Review current OBF Multiple Exchange Carrier Ordering and Design (MECOD) Guidelines, particularly with respect to order intervals and access service coordination.
- g. Meet-point bills will contain a MPB identification.
- h. Identify what is Meet-point billed, e.g., End Office, Traffic Type, or circuit.
- i. In a single bill arrangement, provide detail of adjustments and charges for each provider identified on the bill.
- j. Provide billing percent when applied to rates.
- k. In a single bill arrangement, include a summary totaling the charges for each provider identified on the bill.
- l. During the ordering process, communicate billing account information in accordance with the Access Services Ordering Guidelines (ASOG) and Local Services Ordering Guidelines (LSOG).
- m. The Combination of Meet-point and non-Meet-point on a single bill with all options (e.g., Single Bill, Multiple Bill) is accepted. When mutually agreed upon by customer and provider, a single bill will be rendered for meet-point and non-meet-point access and interconnection services. This is applicable for both paper and BDT. At the account

ATIS/OBF-MECAB-007

Issue 7, February 2001

5. CONVERSION AND NOTIFICATION

5.1 General

To implement MPB, several cooperative activities are required among customers and providers involved on each jointly provided service. The customer is responsible for distributing a common ASR/LSR to all providers involved with the service in accordance with the standards documented in the ASOG/LSOG and the MECOD Guidelines. The ASR/LSR is required by each provider to authorize billing. The providers involved with the service will provide confirmation to the customer in accordance with the standards documented in the ASOG/LSOG. The remainder of this section defines specific requirements and bill data elements that must be provided on all meet-point bills rendered from the providers. In addition to the implementation activities required by the providers, there is a need for the customers to receive written notification at least 30 days prior to implementation of any change (e.g. change to MPB option, elimination of common minutes, etc.). This time is needed by customers to prepare for the new or changed billing media they will receive. The notification will be given to the customer contact(s).

5.2 General Conversion

This section describes procedures and areas to consider when converting services that involve meet-point Billing. The following situations are applicable:

1. Conversions from non-meet-point Billing to meet-point Billing for a given service, e.g., access, local & CMRS.
2. Establishing MPB for a given service arrangement, when a new provider becomes involved, for which no meet-point agreement exists.
3. Changing an existing meet-point Billing option, or
4. Changing from common minutes to non-common minutes between providers until the discontinuance of the use of summary usage records (11-50-01 through 04 and 11-50-21 through 24) effective August 31, 2002.

Listed below are joint provider conversion efforts that must be considered:

1. Identify service arrangement(s) that will be converted to meet-point billing.
2. Providers must establish BPs for each MPB route for IC traffic. Establish BPs for each local interconnection route, if applicable. Formally concur on BPs in NECA Tariff FCC. No. 4. as described in Section 3.
3. Provide a cross reference for meet-point access/interconnection services:
 - a. Flat-Rated Service:

ATIS/OBF-MECAB-007Issue 7, February 2001

When mutually agreed upon by customer and provider, a combination single bill will be rendered for meet-point and Non-meet-point usage. This is applicable for both paper and BDT. At the account level, the bill should be identified as a meet-point bill. Current requirements for usage billing displays at end office and summary levels remain unchanged.

2. Flat-Rated Service Meet-point Billing Account:

Subsequent to the 86-104 Report, the OBF determined that a provider is not required to establish separate MPB accounts for each provider with which it meet-point bills.

5.3 Notification

5.3.1 Customer Notification

Each company (billing and non-billing) will provide notification to the customer of the MPB option used to render bills. The notification requirement applies to the initial MPB implementation and any subsequent changes to an existing MPB option (e.g., Multiple Bill Option to Single Bill Option), change in bill rendering company, change from common minutes of use to non-common minutes of use, or payment arrangement. The customer notification must take place thirty days prior to the MPB implementation or change in option. The elimination of common minutes between providers should be supplied at least thirty days prior to the change.

The customer notification should be at the appropriate Company Code level. The MPB option concurred with the connecting companies will normally be the same for all End Offices. If there are exceptions, these exceptions should be identified separately, by End Office, in the customer notification. For example, Provider-A and Provider-B meet-point bill on a route. Provider-A selects Single Bill/Single Tariff when that company owns the End Office. Provider-B selects the Single Bill/Single Tariff bill option when it is Provider-B's End Office. In these situations, only one notification per provider is required for all End Offices to be billed in this manner. However, should there be any different billing arrangement between Provider-A and Provider-B, this will require additional notification for those different billing arrangements.

Customer notification is required from each provider involved:

- a) For each unique combination of companies jointly providing service or a segment³ of a multi-point flat-rated service arrangement
- b) Per each meet-point option
- c) For all types of service
- d) Changing from common minutes to non-common minutes between providers until the discontinuance of the use of summary usage records (11-50-01 through 04 and 11-50-21 through 24) effective August 31, 2002.

This notification will be given to the customer contact(s). If the MPB Option/Alternative is the same for all Usage-Sensitive and/or Flat-Rated services, then only one notification is required.

³ The term segment as used herein denotes the part of a circuit segment between two offices (i.e., hub or serving wire center) and is not necessarily synonymous with a circuit segment as defined by the Field Identified (FID) SGN.